**Subsidy to Shipping Industry**

†4175. SHRI RAJIV RANJAN SINGH 'LALAN':
SHRI KAPIL SIBAL:

Will the Minister of SHIPPING be pleased to state:

(a) whether Government provide subsidy to the Shipping industry;

(b) if so, the amount of subsidy given during the financial years 1999-2000, 2000-2001 and 2001-2002, separately;

(c) the reasons for giving such subsidy; and

(d) in what manner it is given?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRIPAD YESSO NAIK): (a) Yes, Sir. A Shipbuilding Subsidy Scheme is in operation as per which shipbuilding subsidy is given to Central Public Sector Shipyards and Interest Differential Subsidy is provided to Indian Shipping Companies placing orders on Central Public Sector Shipyards for construction of ocean going vessels.

(b) Shipbuilding subsidy/Interest Differential Subsidy released during the period 1999-2000 to 2001-2002 are as under:

**Shipbuilding subsidy**

(Rupees in Crores)

| Year | Cochin Shipyard Ltd. | Hindustan Shipyard Ltd. |
|---|---|---|
| 1999-2000 | Nil | 5.12 |
| 2000-2001 | 15.00 | 2.64 |
| 2001-2002 | 20.00 | Nil |

Interest Differential Subsidy paid to Shipping Corporation of India under Shipbuilding Subsidy Scheme.

(Rupees in Crores)

| Year | Interest Subsidy |
|---|---|
| 1999-2000 | 2.70 |
| 2000-2001 | 4.00 |
| 2001-2002 | 3.17 |

†Original notice of the question was received in Hindi

(c) and (d) Shipbuilding Subsidy of 30% of the price of ocean going vessels is payable subject to the condition that the lowest bid is matched by the Central Public Sector Shipyard in open/global tender. In case of export orders, subsidy is payable for negotiated orders as well. Subsidy is released in stages upon occurrence of milestone events during construction of the ship. Shipbuilding subsidy enables the Central Public Sector Shipyards to become globally competitive. Interest Differential Subsidy is given to the Indian Shipping Companies as an incentive to place orders on Central Public Sector Shipyards.

**Privatisation of Ports**

4176. SHRI N.K. PREMACHANDRAN: Will the Minister of SHIPPING be pleased to state:

(a)whether Government have any proposal under consideration to privatise the ports in the country;

(b) if so, the details thereof;

(c) whether Government have initiated the steps for external borrowing for strenghening the Shipping industry;

(d) whether the Shipping companies are permitted to mobilise funds from internal resources for the infrastructural development of Shipping Industry; and

(e) if so. the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRI PAD YESSO NAIK): (a) and (b) No, Sir. However, private sector participation in port sector has been allowed in the following areas:

(i) Leasing out existing assets of the port.

(ii) Construction/creation of additional assets, such as:

(a) Construction and operation of container terminals.

(b) Construction and operation of bulk, break bulk, multipurpose and specialised cargo berths.

(c) Warehousing. Container Freight Stations, storage facilities and tank farms.

(d) Cranage/Handling Equipment.

(e) Selling up of captive power plants.

(f) Dr\ docking and ship repair facilities.